
Minutes

Board of Natural Resources

September 6, 2005
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Bob Nichols, for Governor Christine Gregoire

Bruce Bare, Dean, University of Washington, College of Forest Resources

Daniel J. Bernardo, Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences

Ted Anderson, Commissioner, Skagit County

BOARD MEMBERS ABSENT

Terry Bergeson, Superintendent of Public Instruction

CALL TO ORDER

Chair Sutherland called the meeting to order at 9:10 a.m. on, September 6, 2005, in Room 172 of the Natural Resources Building.

APPROVAL OF MINUTES

MOTION: Bruce Bare moved to approve the June 7, 2005, Board of Natural Resources Minutes.

SECOND: Bob Nichols seconded.

ACTION: Motion passed unanimously.

Chair Sutherland noted that many people were at today's meeting because of the Frailey Mountain exchange. He explained that it was an exchange between DNR and Skagit County, which included conveying lands back to the county. Chair Sutherland stated that he had several conversations with the Board's county representative, Skagit County Commissioner, Ted Anderson, in which Mr. Anderson expressed his desire to recuse himself from the motion and discussions regarding the Frailey Mountain re-conveyance.

PUBLIC COMMENTS FOR AGENDA ACTION ITEMS

Rick Bush - Public Citizen (Handout #1)

Mr. Bush commented on the Catamount timber sale stating that he lived adjacent to Catamount Harvest Unit #1, near Sequim. He noted that the Catamount timber sale required revision to comply with Washington Administrative Code, which says, "on established big game winter ranges, cutting units should be disbursed over the area to provide cover, access for wildlife, and to increase edge effect". He said that although DNR's SEPA checklist identified few bird and animals in the Catamount sale the area accommodates abundant and diverse resident and migratory wildlife. Mr. Bush shared with the Board the uniqueness of Miller Peninsula in that it's enclosed by saltwater on three sides and Hwy 101 on the 4th

side. He stated that large animals require range corridors to freshwater on the Peninsula, and to extended habitat south of the Peninsula. He felt that additional removal of Catamount trees and under story, before surrounding, significant, recent tree harvests can re-grow, would leave insufficient short-term cover and access for wildlife. He said he was not suggesting that Public Land Trust Beneficiaries forfeit dollar revenues from Catamount timber sale but rather defer the harvest until adjacent succession trees provide alternate wildlife cover, possibly resulting in increased revenue. He concluded by adding that if the sale must go forward it should be less inclusive than now planned.

Gene Willett - President - Skagit Sportsmen and Training Association (SSTA)

Mr. Willett explained that he originally became involved in this re-conveyance in 1989 when he was working at the prosecuting attorney's office. He stated that the concerns back then were related to population growth in the undeveloped parts of the county and that the casual shooting in the woods was no longer acceptable. At that point the county attempted to focus and gather the shooting into controlled areas where it could be supervised more closely. Mr. Willett indicated that citizen support for this project has been extensive including commitments from law enforcement and local military groups for use of their heavy equipment in exchange for use of the range upon completion. He noted that the critical issues of traffic, noise, and lead had been satisfactorily addressed; once the land is re-conveyed the permits would be issued.

Chair Sutherland asked if there were any outstanding issues left other than the re-conveyance itself.

Mr. Willett said that to his knowledge there were no outstanding issues left.

Chuck Manning - Skagit Sportsmen and Training Association (SSTA)

Mr. Manning stated that he's been a resident of the Anacortes area for over 20 years and is a small business owner as well. He informed the Board that he is a past president of the SSTA and is still involved with the Association. He felt that there was a definite need for this type of facility in Skagit County and that after a long search for the right property this site was finally chosen. He wanted the Board to know that there was a lot of support for this re-conveyance and that they were hoping for a favorable decision.

Jack Cross - Public Citizen

Mr. Cross informed the Board that he is a resident of Lake Cavanaugh. In his opinion this project lacks a plan for implementation and that access isn't being maintained. He talked about the cost of the range saying that Skagit County doesn't have the means to operate this shooting range. He mentioned the cost of insurance and wondered who would pay for it. Mr. Cross brought up the importance of retail sales but added that Skagit County's codes don't allow that on industrial forestlands.

Kathy Katte - Vice President - Lake Cavanaugh Improvement Association (LCIA)

Ms. Katte said her association has concerns about the shooting range because permits for this range are currently under appeal. She indicated that permits couldn't be issued until litigation has been finalized and suggested that the Board defer from action on this re-conveyance until litigation has been completed.

Ken Mohan - Public Citizen - LCIA

Mr. Mohan said he owned property on Lake Cavanaugh and he was here today to urge the Board to vote against the re-conveyance to Skagit County. He stated that the proposed shooting range would violate several zoning requirements and in his opinion should not be considered. He talked about a re-conveyance of a 40-acre plot in King County to be used for soccer fields and that the State Supreme Court found that it was non-compliant with the zoning requirements.

Jeff Eustis - Citizens to Save Pilchuck Creek

Mr. Eustis stated that he was before the Board representing the Citizens to Save Pilchuck Creek, an organization of 200 citizens in the vicinity of the Frailey Mountain shooting range. He informed the Board that this group had been following the application since 1997. He questioned the opinion that all legal problems had been taken care of and that the re-conveyance was the final step. He listed three items to support his statement regarding the legal issues: 1) re-conveyance would violate the Growth Management Act (GMA) (under the GMA there is an imperative to conserve resource lands which applies equally to agricultural and forestlands) he explained that the conversion of 400-acres of commercial timber to recreational use falls under that imperative. He referred to the State Supreme Court's decision on the soccer fields case stating that the conversion of 40-acres of agricultural land to recreational use would have been in violation of the GMA; the shooting range would violate the same provision. 2) The re-conveyance would violate DNR's own statute RCW.79.22.300; a re-conveyance must be for a facility consistent with the county's own park plan, the park plan echoes the comprehensive plan, the comprehensive plans says recreational use on industrial forestlands is okay as long as it doesn't conflict with commercial timber harvest and as long as it is for recreation that's primitive in nature. Mr. Eustis said the displacement of the 400-acres would conflict with Forest Practices and commercial harvest on those lands. 3) DNR's statute provides that the re-conveyance should be for public park purposes. Skagit County plans on turning it over to the SSTA, which is a private organization and does not fall under the public park purposes. He concluded his remarks by reminding the Board that these issues are currently in litigation and there would be appeals. He emphasized to the Board that if they approve this transaction it would be for a facility that's permits are being challenged.

Chair Sutherland asked if the three issues Mr. Eustis had just discussed were the same issues under appeal.

Mr. Eustis said DNR compliance with the RCW.79.22.300 are not involved in the appeal because they are DNR issues. He said there are several issues involved in the litigation over permitting for the shooting range.

Mr. Nichols asked for the litigation schedule.

Mr. Eustis said the County Commissioners entered an oral decision about a month ago and are required to issue a written decision, which has not happened yet. Once the decision is issued it will be appealed to the Shoreline Hearings Board and to Superior Court. Each of those tribunals has roughly a six-month schedule dealing with the appeal.

Mr. Bare asked about the difference between the 40 acres in King County and the 400 acres in Snohomish County.

Mr. Eustis said the legal issue of recreational use on resource lands was the same; in King County it was the placement of 40-acres of soccer fields in lands in the Sammamish Valley that are used for growing turf and the placement of temporary goal posts. The Supreme Court said that was contrary to the statutory mandate under the GMA to conserve agricultural lands for agricultural uses. By comparison the 400-acre shooting facility would be placed on state lands that are designated as industrial forest and under GMA there is a mandate that those lands be conserved for commercial timber use. The shooting facility would involve the permanent displacement of those lands.

Mr. Nichols asked what the shoreline issue was and how close the shoreline is to the creek.

Mr. Eustis responded that it's the consistency of a shoreline substantial development permit with the shoreline management act and the Skagit shoreline master program. He added that the road to the proposed facility goes right across Pilchuck Creek and the access, bridge, and road all go across the creek; Skagit County is requesting a shoreline permit and variance.

Lawrence Johnson

Mr. Johnson said he's a longtime resident of Lake Cavanaugh and supports the Frailey Mountain shooting range. He doesn't feel that noise and traffic will be an issue.

Ron Allen - Chair - Jamestown S'Klallam Tribe

Mr. Allen thanked Commissioner Sutherland for his constructive support of the S'Klallam Tribe's concerns regarding the Catamount Timber Sale. He wanted the Board to take into consideration the cultural concerns of the tribe. He explained that because the acreage of the tribe is rather small most of the cultural activities take place off the reservation and quite frequently on DNR land. Mr. Allen informed the Board that some of the cultural practices where they engage in collecting bark and pitch occurs in the Catamount timber sale sites. He said that the Commissioner and DNR staff had visited the site and identified the culturally modified trees, which are areas where the tribe conducts these practices. He emphasized that the tribe's concerns are more than just the trees and they've asked Commissioner Sutherland to take into consideration the possibility of preserving some of these sites. He conveyed his hope that the Catamount sale would be deferred and that there could be a win-win proposition to protect these sites. He testified that he would like to see some policy being developed so that as DNR continues to open up these sale tracts, if they are relevant sites, than criteria can be created to protect the activities of the tribe. Mr. Allen said he understood the Board's fiduciary responsibility and looked forward to working with DNR on these important issues.

Mr. Nichols asked if Mr. Allen was okay with the Catamount timber sale as is but wanted to develop policy for future timber sales.

Mr. Allen said he would like to see the sale adjusted to preserve more area around the culturally modified trees and then use it as a model for future sales.

LAND TRANSACTIONS

Re-conveyance Overview/ Frailey Mountain #02-077744 (Handout #2)

Ms. Plancich introduced herself and noted that she worked for the Asset Management Protection Division and is the project manager for this transaction. She then introduced Paul Reilly, an attorney from the Skagit County Prosecutor's office and David Hough, Retired County Employee, currently under contract as a private consultant representing the Skagit County Planning and Development services. Ms. Plancich gave an overview of the Forest Board Transfer Trust cycle mentioning that the county received most of these properties from tax foreclosures and they were conveyed from the county to DNR under RCW.79.22.040. She explained that DNR had managed these properties as Forest Board Transfer Trust Lands but would now be re-conveying them back to the county under RCW.79.22.300. Ms. Plancich stated that the statute provides that the lands may under specific conditions be re-conveyed back to the county for public park use.

Re-conveyance Requirements:

- Use in accordance with State Outdoor Recreation Plan
- Timber retained by DNR
 - o Managed consistent with park purposes
- Minerals Reserved
- Access reserved
- Coordinate management of adjacent trust lands

Process:

County:

- Identifies Forest Board Trust parcel
- Obtains approval consistent with State Outdoor Recreation Plan by Interagency for Outdoor Recreation (IAC)
- Submits request for re-conveyance
- Proposal submitted to BNR
- Conveyed by quitclaim deed with public park use condition

Chair Sutherland interjected to say that in earlier public comment it had been alluded to that not all of the requirements under RCW.79.22.300 had been met; he asked if they had.

Ms. Plancich responded that to the best of her knowledge all the requirements had been met.

Paul Reilly began by clarifying that this is not a private project and that the SSTA is not taking over the management of the park. When the time comes the concessionaire's responsibility will be open to bids and proposals. Mr. Reilly explained that DNR had recently logged this area and the standing timber is the buffer for the creek. He referred to an earlier question about the distance of the project from the creek; no part of the project is within the Shoreline Hearings Board jurisdiction except for the approach road. An access was required to cross the creek because DNR wanted to maintain access exclusively. Once the project is constructed it will be fenced, gated, and the keys provided to DNR to implement their access to the property.

Property Description:

The Frailey Mountain Range Site is in Township 33 North, Range 5&6 East. The overall re-conveyance is for 400 acres as outlined in the legal description (May 20, 1999; Skagit Surveyors). Originally, the re-conveyance application identified a 273-acre site. This was squared off to a 400-acre parcel in a cost saving measure. The actual footprint of the revised site plan elements, including roads and pathways, is approximately 80-acres. This site plan allows for substantial forest buffer for the range.

History of Selection:

After extensive review of 14 potential sites, the Firearms Range Advisory Board originally selected the site known as Coyote Ridge. Because of its proximity to Camp Brotherhood at Lake McMurray, the Coyote Ridge site was abandoned, and the Frailey Mountain site was selected as the most feasible for the project. On May 19, 1997 DNR submitted a letter of support for the Frailey Mountain Site and outlined steps to re-convey the site from DNR to County.

What will Skagit County do with the Re-conveyed Property?

Manage a concessionaire's construction and operation of a regional shooting range and training facility, capable of meeting both the needs of the recreational shooter and the professional needs of local law enforcement, currently not available in Skagit County. Skagit County would ensure public access to the site as well as the safe use of the facility with a fence and gate system. This facility would far exceed the National Rifle Association's standard of range design safety.

Mr. Reilly said Frailey Mountain was selected for the following reasons:

Vocal, active citizens group has been advocating for the shooting range since mid-1990. Skagit County conducted a variety of site studies, and after eliminating the first choice Coyote Ridge site, concluded that the Frailey Mountain site offered the best opportunity for a conversion to a public park. A managed site offers a safe alternative to the indiscriminate shooting on private and public forest lands and gravel pits, including the Walker Valley Outdoor Recreational Vehicle Park. This unmanaged firearms activity also

contributes to the increasing damage to merchantable timber. Local law enforcement currently has to leave Skagit County to meet weapons certification requirements. The Frailey Mountain site has passed through rigorous testing for firing noise, bullet escapement and traffic impact, and lends itself to be an ideal site for a shooting range and training facility.

A shooting range and training facility has been an element in the SCPR Comprehensive Plan for nearly a decade, meeting with consistent support from the Planning Commission and Board of County Commissioners.

Mr. Nichols asked if the range and roads consisted of 80 total acres.

Mr. Reilly said that was true and that the rest would go back to forestland; there would only be one building on the site. He added that the burms would be higher in this range than any others in the United States.

Mr. Bare asked if there was a conflict between the Growth Management Act (GMA) and what the IAC approved.

Mr. Reilly said the permits were applied for before the GMA was in existence.

Mr. Bare wanted to know what the legal ramifications would be if the Board approved this re-conveyance and if it would stop further legal challenges.

Mr. Reilly said it would not stop further legal challenges and there could be potential for a restraining order although he didn't know what the outcome would be. Ultimately, if the shooting range weren't built for whatever reason, then the land would go back to the State.

Mr. Nichols asked about the Firearms Range Advisory Board.

Mr. Reilly said it was a Board appointed by the Skagit County Commissioners to examine the prospects and locations of potential locations.

Chair Sutherland asked if the IAC had reviewed the park plan for the proposed site.

Mr. Hough responded that IAC had reviewed the plan and that DNR had been given a letter from IAC approving the project. Skagit County's park & recreation plan was recently amended and approved. He wanted to clarify that the Comprehensive Plan for 2000 and the Unified Development Code include provisions for location of a shooting range within an industrial forest designation and that there had never been an appeal related to that issue. The Growth Hearings Board does not have authority to deal with specific project appeals; they only have jurisdiction related to Comprehensive Plan amendments or code amendments.

Chair Sutherland asked if the County was still in the process of maintaining these properties as industrial forestlands.

Mr. Hough said that was correct and that there is a specific condition in the Hearing Examiner's order that requires Parks and Recreation to develop a timber management plan to be approved for all land not utilized on the site for the actual range; this condition is currently in place.

Mr. Nichols asked about the three conditions that had to be approved by IAC and he wondered what the third one was.

Ms. Plancich responded that DNR would retain minerals, access, and the opportunity to review the plan to ensure that it didn't adversely impact the asset value or management of the adjacent trust lands.

Mr. Nichols wanted to know if once the conditions had been met, which Ms. Plancich had said to the best of her knowledge had been complied with, then is DNR is directed to re-convey the property.

Ms. Plancich said that according to the RCW that is correct.

Mr. Nichols wondered what the role of the Board would be since the RCW directs the Department to re-convey the land.

Christa Thompson, Assistant Attorney General, for the Board of Natural Resources came forward. She said she was not prepared to give legal advise in an open public meeting but she read the statute (RCW 79.22.300) regarding the Board's authority. She summarized that the Board is not specifically mentioned but that the Board is part of the Department under this statute.

Mr. Nichols said it seemed clear from what's been said that if the conditions from the RCW have been met then the Department/Board shall convey the property.

Mr. Nichols asked Mr. Reilly why the re-conveyance needed to occur now if there is pending litigation.

Mr. Reilly said this was a good time to accomplish this step and if after seven more years the opposition ends up prevailing than the property goes back to the state in no worse condition than it is.

Mr. Nichols asked about the failure in Arlington and the economic development aspects.

Mr. Reilly said he was not familiar with a shooting range failure. He knew of a situation in Everett where Boeing asserted that it owned a shotgun range and then took it over.

Mr. Reilly said they anticipate that the shooting range will bring people from out of the area into Skagit County.

MOTION: Bruce Bare moved to approve Resolution #1170.

SECOND: Dan Bernardo seconded.

ACTION: Motion passed unanimously.

Soos Creek #02-076974 (Handout #3)

Ms. VanBuren presented a direct transfer proposal called Soos Creek. The property is approximately 37 acres of Common School Trust. It's located 2 miles East of Auburn, bounded on the south by Lake Holm Road. She explained that it would be a direct transfer to the Auburn School District and that it is zoned RA-5SO (1 home per 5 acres). The traffic concurrency plan limits property to two home sites. The appraised value is \$775,000 (\$15,000 per acre +215,000 timber value).

Mr. Anderson wondered if a school could be built considering the traffic and zoning restrictions.

Ms. VanBuren said the zoning would allow for a school to be built and she talked with the planner to confirm that; there is an exemption for school construction under the traffic concurrency plan.

MOTION: Ted Anderson moved to approve Resolution #1171.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

Pasco 14 #02-074415 (Handout #4)

Ms. VanBuren presented Pasco 14 saying that it's located in Franklin County, North of I-182, and Southwest of the Airport. She described the property as 137.8 acres of Common School Trust with 131.4 useable acres. Ms. VanBuren said the sale would provide for the disposal of property earning little income, relative to property value; the current lease is \$17,990 per year. The proceeds would be used to acquire property with higher income potential. The land is currently zoned residential transition (1 home per 5 acres). The Comprehensive Plan would allow rezone to residential suburban (4 lots per acre); about eight acres zoned for commercial use. The property was appraised at \$2,270,000 (\$16,570/acre, rounded).

Mr. Bare asked what the zoning restrictions were for the development to the North of the Pasco 14 parcel.

Ms. VanBuren said she was not sure about that development but that the Pasco 14 parcel was zoned for a higher density. She said the developer worked with the city and the neighbors and agreed to a 10,000 square feet per home.

Mr. Anderson added that inside the urban growth area of a city there is a five-acre minimum but once an area is annexed into the city then the state dictates a minimum of four lots per acre.

Ms. VanBuren explained that two years ago the Department attempted to have a public auction on this parcel but it was not successful. The neighbors were concerned about the infrastructure of the area; six months after the auction the city did a study and concluded that the infrastructure would support development of the Pasco 14 parcel.

Chair Sutherland brought the Board's attention to a letter in their packet from Mark McFarlan asking for a 90-day determination before the property is put up for auction. Chair Sutherland said 90 days is the limit and that would put it right in the middle of the Holiday season, which has not been successful in the past. He suggested that the auction be held the week of November 15th.

MOTION: Ted Anderson moved to approve Resolution #1172.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

279th Street #T3-076621 (Handout #5)

Ms. VanBuren presented the 279th street trespass. She explained that the trespass is located in Clark County and consists of 2.15 acres of Common School Trust. The adjacent property was purchased in 2004 and after closing the purchaser had the lot surveyed and discovered that his access, residence, and shop were situated completely on state trust land. The resolution would sell 2.15 acres at an appraised value of \$20,000 with all costs paid by the purchaser.

MOTION: Ted Anderson moved to approve Resolution #1173.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

Blue Mountain Purchase and Exchange Amendment to Resolution 1162

Mr. Winslow explained that the effect of this amendment would be to authorize use of up to \$150,000 for property replacement account funds and pay for the transfer tax obligations associated with the acquisition of the Blue Mountains property.

MOTION: Ted Anderson moved to approve the amendment called Resolution #1162B.

SECOND: Dan Bernardo seconded.

ACTION: Motion passed unanimously.

State Lands Program Results for FY 040-05 (Handout #6)

Mr. Mackey began by thanking the region staff, Howard Thronson, and the Board's direction in setting the principles and the Sustainable Harvest Calculation (SHC).

He began by talking about land management on the leasing side saying that revenue has gone up, and to date, the Department has made almost \$24 million in FY05. The amount of property purchased has increased and has provided a 28% increase over the four biennia; this does not include aquatic leases.

He reviewed the leasing programs stating that the agriculture and grazing leases total almost \$18 million dollars and the commercial real estate totals approximately \$15 million for the last biennium. The miscellaneous leases, which are special forest products, special uses, communication sites, mineral/oil/gas and rock, sand, and gravel rights of ways total about \$12 million for a total of \$45 million for the biennium. He talked about how the program has diversified from being almost all grazing and agriculture to irrigated row crops, orchards, and vineyards.

Chair Sutherland said that the Department of Natural Resources as an organization has done a remarkable job in balancing the bottom line and generating revenue for the trusts.

Mr. Bernardo asked about the numerator of the red line calculation.

Mr. Mackey responded that it's the total cost of putting up a timber sale. He explained that the numbers would probably have flattened out but the adoption of the SHC provided a reliable calculation and created habitat and revenue. He said that due to favorable pricing the volume reached 598 in FY05.

Timber Sales for October 2005 (Handout #7)

Mr. Tweedale came forward to present the October 2005 timber sales, focusing first on the Catamount sale. He introduced Lee Stilson, Mike Cronin, and Mark Brenner. Mike Cronin is the region district manager for Olympic Region, Mark Brenner also works in Olympic Region and he helped lay out the sale. Mr. Stilson is DNR's archaeologist and he helped out on the site marking the culturally modified trees. Mr. Tweedale said that Mr. Stilson would give a quick briefing on the procedures he followed for this sale.

Mr. Stilson said that under RCW.2753 the standard is to identify the culturally modified trees and record them with the Department of Archaeology and Historical Preservation and then come up with a site protection plan. He explained that in this case DNR went beyond the standard and recommended a post harvest survey to go back and check on some of the trees that may have been culturally modified but couldn't be positively identified because of the healing process. He indicated that DNR has been working with the tribe to protect other areas with this same process.

Chair Sutherland asked if there was a peripheral protection of trees that have been marked.

Mr. Stilson said that's not usually the case but there are provisions in the sale to fall trees away from the marked trees and not run roads through them if it can be avoided.

Mr. Benner said the objectives for the Catamount timber sale are generating revenue, continuing communication with interested parties, and protecting unique structures and habitat. He said the types of trees Mr. Stilson talked about fall in line with what would be done normally for selecting leave trees on a timber sale. He said there is a type 4 stream that separates unit 3 & 4, which has been protected by a buffer. He felt that the agency did a good job meeting the HCP commitments with this sale.

Chair Sutherland asked what the age of the stands are.

Mr. Benner said the average stand age is 110 years old across the Board but in the Northwest there is quite a distribution of age class, from 120 to 250 years old. As part of the selection process he tries to identify all the residual trees that are 160+.

Mr. Tweedale informed the Board that Mr. Bush appealed this sale and DNR is looking into it but it should not effect the Board's decision today.

Mr. Bare asked about the wildlife issue that Mr. Bush referred to earlier.

Mr. Tweedale responded that it came up in the Forest Practices appeal but that DNR is compliant with the HCP requirements and Forest Practices is taking care of the issue under appeal.

Mr. Cortelyou came forward to reinforce that there have been positive interactions with the tribe. He felt hopeful that DNR and the tribes would continue this win-win relationship.

Mr. Cronin said that the tribe has been provided with copies of the next two year's timber sales and DNR and the tribe would continue to design timber sales in this cooperative approach.

Mr. Tweedale gave a quick marketing update:

- There are hints that the domestic housing market is softening
- Log prices remain stable
- There is upward pressure on white wood log prices.

Mr. Tweedale mentioned Hurricane Katrina and the potential impact that may have on the Northwest's soft wood market.

Mr. Anderson asked what kind of white wood Mr. Tweedale was referring to.

Mr. Tweedale responded that it includes Hemlock, Spruce Pine Fir, and other firs in Washington State.

Mr. Bare asked what the recent trend on log imports from British Columbia to Washington State is.

Mr. Tweedale said in the short term they have increased significantly but he didn't think that would last long term.

Mr. Tweedale talked about FY05 accomplishments saying that the volume target for western Washington was 453 million feet but the actual harvest was 496.3. Value was increased over \$50 million dollars than the SHC target. Federal Grants were lower in volume but higher in value and Forest Board Transfer were higher in both.

He talked about Eastern Washington indicating that the value ended up slightly above the target value for the Eastside.

Chair Sutherland asked if there were any no bid sales in Eastern Washington.

Mr. Tweedale said there were a few.

August 2005 sales results:

15 sales offered and 15 sold; 56.2 mmbf offered & 56.2 mmbf sold; \$15.9 million minimum bid offered & \$18.9 million sold; \$288 /mbf offered & \$336/mbf; average number of bidders = 3.6; 19% above minimum bid.

Proposed October 2005 Board Sales: seven sales at 23.3 mmbf; \$6.4 million minimum bid; average \$274/mbf.

September 2005 Board Sales: Recommend all seven sales at 23,334 mbf with a minimum bid of \$6,400,000 be approved for auction for the month of October 2005.

Mr. Anderson remarked that Mr. Tweedale has been saying that the market would hold and it seems to be true.

Mr. Bare asked about a specific sort sale from August commenting that it seemed that DNR would lose money on that kind of sale.

Mr. Tweedale responded that it was a forest health sale and the objective is to remove material to prevent wildfire. If that utility material is not removed it can create a fire hazard; in some cases DNR will remove that utility at a negative margin. In total it doesn't impact the trusts and the sale breaks even or makes a little profit. This falls under the forest improvement legislation.

MOTION: Bruce Bare moved to approve the October 2005 timber sales.

SECOND: Ted Anderson seconded.

ACTION: Motion passed unanimously.

Chair Sutherland wanted to inform the people in attendance that Dr. Daniel J. Bernardo had been selected as the Dean of Agricultural, Human, and Natural Resource Sciences at Washington State University.

Marbled Murrelet (Handout #8)

Tami Riepe came forward and introduced Peter Harrison, Project Lead for the Marbled Murrelet Long-Term Conservation Strategy. Ms. Riepe wanted to inform the Board that when the HCP was signed in 1997 there was an agreement with the Services that DNR would initiate implementation procedures for the riparian strategy. There is a riparian forest restoration strategy that's been approved by the services and will be implemented October 1, 2005. She informed everyone that she'd be showing a video of a Marbled murrelet nest. She talked about Marbled murrelet biology stating that Marbled murrelets occur in North America along 6,500 miles of coastline between the southwest coast of Alaska and central California. The murrelet is a small robin sized seabird that nests in coniferous forests along the Pacific Coast of North America. Nesting habitat requirements: 1) Large limbs typically occurring in older conifer trees 2) Cover for protection from predators and environmental conditions. The male and female share incubation of a single egg, incubation and chick rearing lasts 60-70 days. Their diet consists mainly of sand lance, northern anchovy, herring, and smelt.

Mr. Harrison began the video saying that it was a marbled murrelet nest that was monitored in 1997 south of Forks, north of the Claylock recreation area. The nest was in a western hemlock with a chick in the nest. He explained that the murrelet was the last North American bird to have its nest found which happened in 1974. The adults incubate the egg for about 30 days and then there's about 30-40 days where the adults provision the chick with fish. Scientists believe this is prey recognition because once the chick leaves the nest they fly straight to the ocean. The chick has one shot at making it to the ocean and they don't have any more interaction with their parents. The video showed the chick taking its fish from the adults and then two days later it fledges from the nest. He added that when they videotaped this particular nest they tracked it and the chick made it to the ocean.

Flying just before dawn and at twilight, murrelets tend to follow canyons and waterways, jetting above treetop level at 65-90 mph, dropping into the tree canopy just before reaching their nest. These habits make it very difficult to see marbled murrelets, let alone find their nests. Nesting occurs from April to August. In September 1992, the Oregon, Washington, and California populations of Marbled murrelets were listed as threatened under the federal Endangered Species Act. The listing decision was based on determination that the major cause of the population decline of marbled murrelets was due to habitat loss.

Federal Marbled Murrelet Recovery Plan:

The objective of this recovery plan is to stabilize population size by:

- Maintaining or increasing marine and terrestrial habitat.
- Removing or minimizing threats to survivorship.

DNR's HCP long-term Marbled murrelet conservation strategy is intended to help meet the objectives of the Federal Marbled murrelet Recovery Plan, by "...making a significant contribution to maintaining and protecting Marbled murrelet populations on DNR managed lands in western Washington..." (DNR HCP p.IV 44).

At the time the HCP was written, important scientific information was lacking about specific marbled murrelet habitat needs. The HCP interim marbled murrelet conservation strategy outlines steps for the collection of biological information and applies other conservation steps needed to develop a long-term conservation strategy on DNR managed lands in western Washington.

Biological information on Marbled murrelets is currently being collected in:

- North Puget HCP Planning Unit
- South Puget HCP Planning Unit

And has been completed in:

- Straits HCP Planning Unit
- South Coast HCP Planning Unit
- Columbia HCP Planning Unit
- Olympic Experimental State Forest (OESF) HCP Planning Unit

From 1996-2002, DNR conducted over 10,500 Marbled murrelet “inventory surveys”, encompassing a total of 80,000 acres of state land within these four HCP planning units.

Others in the scientific community have regarded DNR’s information gathering process as the most extensive Marbled murrelet research project ever undertaken; providing the most comprehensive statistical information on marbled murrelet occupancy anywhere within the range of species.

The marbled murrelet long-term conservation strategy will provide certainty and stability for DNR’s trust land management activities.

Mr. Nichols asked how the birds find their nests after flying away and looking for food.

Mr. Harrison said so far it still remains somewhat of a mystery.

Chair Sutherland asked if the surveys would continue once the long-term strategy is in place.

Ms. Riepe said they would stop. However they would still be monitoring the birds.

Mr. Bernardo asked how many murrelet were found.

Mr. Harrison said 500 occupied sites were found in those four planning units and there are approximately 10,000-acres involved.

Commissioner Sutherland asked if there would be more opportunity for timber harvesting in Wahkiakum County.

Ms. Riepe said it would give the county more stability and understanding of where they are able to harvest and having the strategy for creating habitat in certain areas. As the process continues it will be more clear.

Mr. Nichols asked when the HCP would become final.

Ms. Riepe said there would be a final for the first four planning units soon.

Mr. Nichols asked if there was a percentage of loss due to habitat compared with gill nets.

Mr. Harrison said there were changes to gill net practices seven years ago and very few murrelets are lost in nets now.

Mr. Bare asked what the population in Washington was.

Mr. Harrison said there are about 5,500 birds for Washington State and a total of 1 million birds. At sea surveys have been done to determine these population estimates.

Mr. Bare asked if the birds migrate.

Mr. Harrison said they have been tracking them and learning more about the species. The numbers have been going down and the Federal Services just completed their five year status review which showed that the California murrelet population will be extinct within 40 years and there will be a sub population off the Washington Coast at that 40 year time period.

Mr. Bernardo asked about the population trend above the Canadian Border.

Mr. Harrison said that a lot people contribute the ocean conditions to the decline in murrelets above the border.

Chair Sutherland asked if any of this work had been paid for with grants.

Ms. Riepe said the money came from the research budget and that no grants have contributed to the cost, which is in the millions.

CHAIR REPORTS

Policy for Sustainable Forests (Handout #9)

Ms. Riepe began with a brief overview of the definition of old growth. She said that old growth is not defined tree by tree but by the presence of structural components that develop at different rates; DNR has used the weighted old growth habitat index. She explained that the index is just a screening tool and does not provide the final word; field verification is also needed. She said the weighted old growth habitat index has identified approximately 52,666 acres that have a high probability of being old growth. An additional 35,769 acres will require a secondary screening process to determine their status. These acres represent approximately 6% of the forestland in western Washington. A large majority of this acreage is on the Olympic Peninsula in the OESF. To date, of the 994 acres in the category not currently retained to meet regulatory or HCP strategies, 527 acres have been field verified. 397 acres of the 740 acres containing a score between 50 and 59 have been field verified; none of these acres verified as old growth. 130 acres of the 254 acres containing a score above 60 were also field verified. One stand (48 acres in size) was verified as old growth.

Mr. Bernardo asked if it was possible to have old growth not identified by the index.

Ms. Riepe responded that there could be the potential that pockets of old growth may not be captured in a Forest Resource Inventory Unit.

Mr. Mackey said the numbers would change over time and as more field verifications are completed the numbers will be more accurate.

Mr. Sprague talked about changes to the policies beginning with page 1 lines 14-30, which address how the Department is defining old growth for the purposes of this policy: Historically, natural origin prior to 1850 (pre-European Settlement). Scientifically, highest levels of structural complexity i.e., fully functional. A stand must meet both criteria to be identified as old growth for the purposes of this policy.

He moved on to page 2 lines 12-17 where the policy describes the single, very large diameter, structurally unique trees that are the focus for retention to meet the HCP requirements. The policy statement has been revised to remove the reference to trees over 40 inches in diameter and focused the policy on large structurally unique trees to meet the intent of the HCP.

Lines 19-33 discuss the situation, definition, and what DNR is currently doing in eastern Washington to retain structures that may be important components of historic old growth.

Line 50 talked about clarification regarding the OESF exemption. As stated in the policy, harvest operation in some old growth stands for the purposes of research could occur. The old growth deferral in the opening policy statement would not include any old growth in the OESF where research involved harvesting was carried out.

Mr. Bare suggested some editorial changes.

Mr. Partridge said those changes would be made.

The Board members discussed market value versus full compensation in regard to old growth.

Mr. Sprague concluded by giving a tentative timeline saying that there would be a draft resolution in October.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

Bob Dick - American Forest Resource Council (AFRC)

Mr. Dick commented on Hurricane Katrina saying that the recovery effort is on going and there wouldn't be an increase in restructuring for a while.

Chair Sutherland asked if there was anyone else present wishing to make comment before the Board. Seeing none, hearing none.

Meeting adjourned at 2:10 p.m.

Approved this ____ day of _____, 2005

Doug Sutherland, Commissioner of Public Lands

Bob Nichols for Governor Christine Gregoire

Bruce Bare, Dean, University of Washington

Daniel J. Bernardo, Dean, Washington State University

Terry Bergeson, Superintendent of Public Instruction

Ted Anderson, Commissioner, Skagit County

Attest:

Sasha Lange, Board Coordinator